

timber in the Tongass, and a proper balance among multiple-use interests in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Judy Brown or Mark Rey at (202) 224-6170.

ADDITIONAL STATEMENTS

CBO'S ESTIMATED BUDGETARY EFFECTS OF H.R. 3286

• Mr. ROTH. Mr. President, I ask that the letter submitted to me by June E. O'Neill, Director of the Congressional Budget Office, regarding CBO's estimate of H.R. 3286, the Adoption Promoting and Stability Act of 1996, be printed in the RECORD.

The letter follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 21, 1996.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Finance,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office (CBO) has estimated the budgetary effects of Titles, I, II, and IV of H.R. 3286, the Adoption Promotion and Stability Act of 1996, as reported by the Committee on Finance on June 13, 1996. Because H.R. 3286 would affect revenues, the bill would be subject to the pay-as-you go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

The attached table displays the estimated federal budgetary effects of Titles I, II, and IV of H.R. 3286. Title I would establish a new tax credit for adoption expenses that would reduce tax payments beginning in 1997. Title IV would repeal the deduction for bad debt reserves of thrift institutions and reform the income forecast method of determining depreciation deductions, effective beginning with the 1996 tax year. The revenue estimates for Titles I and IV of the bill have been provided by the Joint Committee on Taxation. The bill would result in net revenue increases of \$79 million in 1996, \$147 million in 1997, and \$171 million in 2002, which would be partially offset by net revenue losses in the intervening years. Over the 1996-2002 period, the net revenue increase would total \$117 million.

CBO estimates that the provisions of Title II that would remove barriers to interethnic

adoptions would have a negligible effect on federal outlays in the foster care and adoption assistance programs. Although state governments or other entities that receive federal funds for adoption or foster care placement could pay penalties for failing to follow the provisions of Title II, the penalties are sufficiently large that states would comply with the new provisions, and the penalties collected would be negligible.

Titles I and IV contain no intergovernmental mandates, as defined in Public Law 104-4, and would impose no direct costs on state, local, or tribal governments. These titles do, however, contain private-sector mandates, as described in the attached private sector mandate statement. Section 4 of the Unfunded Mandates Reform Act of 1995 excludes from the application of that act legislative provisions that establish or enforce statutory rights that prohibit discrimination on the basis of race, color, or national origin. CBO has determined that the provisions in Title II fit within that exclusion.

Should you require additional information on this estimate, we will be pleased to provide it. The staff contacts for H.R. 3286 are Justin Latus (for federal costs), Stephanie Weiner (for federal revenues), and Karen McVey (for state, local, and tribal issues).

Sincerely,

JAMES L. BLUM

(For June E. O'Neill, Director).

Attachments.

ESTIMATED BUDGETARY EFFECTS OF H.R. 3286

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Direct Spending							
Title II—Interethnic adoptions:							
Estimated budget authority	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Estimated outlays	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Revenues							
Title I—Credit for adoption assistance	—	—33	—329	—351	—375	—342	—108
Title IV—Revenue offsets	79	180	245	293	291	288	279
Net increase or decrease (—) in revenues	79	147	—84	—58	—84	—54	171
Deficit							
Net increase or decrease (—) in the deficit	—79	—147	84	58	84	54	—171

Note: Revenue estimates provided by the Joint Committee on Taxation.

¹ Indicates less than \$500,000.

PAY-AS-YOU-GO CONSIDERATIONS

[By fiscal year, in millions of dollars]

	1996	1997	1998
Change in outlays	0	0	0
Change in revenues	79	147	—84

CONGRESSIONAL BUDGET OFFICE ESTIMATE OF COSTS OF PRIVATE SECTOR MANDATES

1. Bill number: H.R. 3286.
2. Bill title: Adoption Promotion and Stability Act of 1996.

3. Bill status: As reported by the Senate Committee on Finance, on June 13, 1996.

4. Bill purpose: The purpose of the bill is to defray adoption costs and promote the adoption of minority children. In addition, the bill would repeal the deduction for bad debt reserves of thrift institutions and reform the income forecast method of accounting.

5. Private sector mandates contained in the bill: H.R. 3286 contains mandates as defined in Public Law 104-4 that would affect taxes paid by private sector entities. In par-

ticular, the bill would repeal the deduction for bad debt reserves of thrift institutions and reform the income forecast method of accounting. In addition to these mandates, the bill includes a new credit for adoption expenses that would reduce tax payments.

6. Estimated direct cost to the private sector: The Joint Committee on Taxation (JCT) estimates that the direct private sector costs of the tax increases in H.R. 3286 would be no less than the amounts that appear in the following table.

	1996	1997	1998	1999	2000
Repeal the deduction for bad debt reserves for thrift institutions	47	111	216	280	277
Reform income forecast method of accounting	32	69	29	13	14

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Credit for adoption ex- penses	—	—33	—329	—351	—375

7. Appropriations or other Federal financial assistance: None.

8. Previous CBO estimates: On May 2, 1996, CBO estimates the private sector impact of H.R. 3286 as ordered reported by the House Committee on Ways and Means on May 1, 1996. The estimates differ because both the revenue increases and the specific parameters of the credit for adoption expenses in

the Finance Committee's bill are different from those in the Ways and Means Committee's bill.

9. Estimate prepared by: Daniel Mont (non-tax items) and Stephanie Weiner.

10. Estimate approved by: Joseph R. Antos, Assistant Director for Health and Human Resources.●

RENOMINATION OF ALAN GREENSPAN

• Mr. KOHL. Mr. President, I supported Alan Greenspan's renomination

In addition to these mandates, the bill also provides for a reduction in taxes. At this point, it is unclear to CBO whether under Public Law 104-4 this tax reduction should be viewed as an offset to the direct costs of the mandates in the bill. JCT estimates that the savings associated with the tax reduction in H.R. 3286 would be as displayed in the following table.